



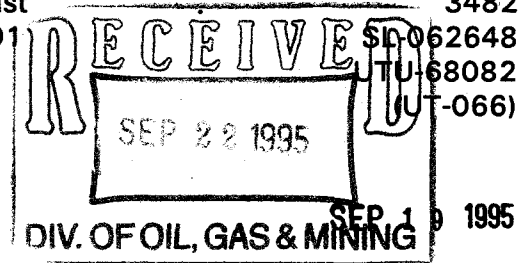
United States Department of the Interior

BUREAU OF LAND MANAGEMENT

TAKE
PRIDE IN
AMERICA

IN REPLY REFER TO:

Moab District
Price River Resource Area
900 North 700 East
Price, Utah 84501



Mr. Daron R. Haddock
Permit Supervisor
Utah Division of Oil Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Mine Plan Amendment, Longwall Mining, Crandall Canyon Mine, Genwal Resources, Inc., ACT/015/032-95F

Dear Mr. Haddock:

#2 Copy Daron, Joe, Dave

The Bureau of Land Management (BLM) has reviewed the subject mine plan amendment with regards to the requirements of the lease and the resource recovery and protection plan (R2P2). The amendment calls for changing room-and-pillar panels to longwall panels located in sections 1 and 2 of T. 16 S., R. 6 E., SLM. Genwal asserts that Crandall Creek is not a perennial stream above the forks of the creek and that full extraction longwall mining can take place under the areas of the creek that are not perennial.

The information submitted indicates that Crandall Creek is not perennial above the forks. We have no objections to the change in the mining plan if the Forest Service concurs with the status of the stream. Two longwall panels are to replace eight small room-and-pillar panels that have restrictions for many of the areas to first mining only. As the mining restrictions were due to the lease stipulation that protects perennial streams from mining related subsidence damage, the mining restrictions should be lifted if the stream is not perennial. This area is only for section 1, as section 2 is a state coal lease and not part of our jurisdiction.

The BLM has determined that the mine plan amendment meets the requirements of the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, the lease terms and conditions, and will achieve maximum economic recovery of the Federal coal.

If you have any questions, please contact Stephen Falk or George Tetreault at (801) 637-4584.

Sincerely,

Dean Nyffeler
Area Manager

Acting

cc: UT-921, Utah State Office
Genwal Resources, Inc.
P. O. Box 1420
Huntington, Utah 84528